



“Ritco Logistics Limited Q1 FY-26 Earnings  
Conference Call”

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**MANAGEMENT:** **MR. SANJEEV ELWADHI – MANAGING DIRECTOR,  
RITCO LOGISTICS LIMITED.  
MR. M.S. CHADHA – CHAIRMAN, RITCO LOGISTICS  
LIMITED.  
MR. SARTHAK ELWADHI – CO-FOUNDER, TRUCKSUP.  
MR. VIRENDRA YADUVANSHI – CHIEF EXECUTIVE  
OFFICER, TRUCKSUP.**

**MODERATOR:** **MR. SAHIL SANGHVI – MONARCH NETWORK  
CAPITAL LIMITED**

**Moderator:** Ladies and gentlemen, good day and welcome to the Ritco Logistics Limited Q1 FY'26 Earnings Conference Call hosted by Monarch Network Capital Limited.

As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call please signal an operator by pressing "\*" then "0" on your touchtone phone. Please note that, this conference is being recorded.

Please note this conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not the guarantees of future performance and involve risk and uncertainties that are difficult to predict.

I now hand the conference over to Mr. Sahil Sanghvi from Monarch Network Capital Limited. Thank you, and over to you sir.

**Sahil Sanghvi:** Yes. Good afternoon everyone, and thank you, Palak. On behalf of Monarch Network Capital we welcome you to the 1Q FY'26 Earnings Call of Ritco Logistics Limited.

We are delighted to host the Management of Ritco today, and from their side, we have Mr. Sanjeev Elwadhi – the Managing Director at Ritco. We have Mr. M.S. Chadha – the Chairman at Ritco Logistics. We have Mr. Sarthak Elwadhi – Co-founder, TrucksUp, and we have Mr. Virendra Yaduvanshi – Chief Executive Officer, TrucksUp.

So without taking much time, I will hand over the call to Mr. Sanjeev Elwadhi for the opening introductory remarks. Over to you, Sanjeev sir.

**Sanjeev Elwadhi:** Good afternoon, everybody. Namaskar, My name is Sanjeev Elwadhi and I will speak in both English and Hindi so that all are comfortable. So along with me is my childhood friend who is the Chairman of the Company. We are together for last now three decades and now next generation, my son and his son has also joined after having experience in UK and Australia, studying in the best universities, they have also joined the business in last two years. So along with me, Sarthak who is my son, he is the Co-founder of TrucksUp, which is the aggregator platform. They will explain about that platform later on. And our very respectable CEO, Mr. Virendra Yaduvanshi has a experience of more than 25 years in tech and aggregator platform. So, he is the CEO for TrucksUp, and myself is the Managing Director for Ritco.

So in next 10 minute, I will explain about Ritco and the journey, how we have reached to this level. So we started the business in 1996 childhood friend me and Man Mohanji, and it was a typical small transport company from a very small one office, and from there we have reached to this level. So initially we were doing for some liquid transportation, then small transportation, and gradually we have increased our portfolio. So by 2000 we have understood that how the world is changing and India is opening up. So we started hiring the people. Earlier, it was

typically run by us, by our own people. Then we hired professional from the industry. By 2015 it was never looking back, and we became the number one logistic company from transport company. I will tell you the difference, and we became number one in petrochemical. So today, wherever the petrochemical is produced in India, be it Reliance, ONGC, GAIL, MRPL, Indian Oil. HPCL, Hindustan Mittal, or Haldia Petrochemical, Mitsubishi, wherever the petrochem is produced, we are number one choice, and by volume also, and in terms of the turnover also. So our share from that petrochem industry is almost 42% to 44% and in terms of sharing ratio of petrochemical, it is reducing, but in terms of value it is increasing because now we are more focusing on infrastructure and alternative energy business. So, I told you that transport business to logistic industry how it changed from 2015-16 when the GST was to come so we met many high profile people. We went for course in IIM Ahmedabad and then the dean of IIM Ahmedabad was also on our advisor also. Then we went for the IPO in 2019 lot of people from the industry, once we became, visibility has increased, they joined us, and today I can say with the proud that all the top notch people experience, not only from the logistic industry, but also from Ola, Uber, Paytm, ATL, they are working with our company at very senior position.

So, Ritco has evolved over these years from a transport company to the logistic company, and now our target is next year we will change the complete dynamics of our company. Now, we will be from logistic company, it will be complete supply chain company. So, I tell you, transport, logistic and supply chain. So typically, we were the transporters, and we own very less number of trucks, though and we have more than 30,000 trucks in on Ritco portfolio, although in trucks we have more than 3,68,000 trucks. That is the different thing, which I will tell you later on. But we have more than 30,000 vendors all over India who believe and trust in Ritco. These are single operator who works for us. So we take big contracts on total concept basis like we will move their full material, it is a 10 ton, 20 ton, 30 ton so we give them the complete solution. Over the year then we have started providing the warehousing facility. And we have 10 warehouses, nothing is owned by us it is only on lease basis. So we have a warehouse for Reliance, we have for MRPL, then we have for Indian Oil, and we have for Mitsubishi. These type of warehouses we have all over India. And now, we have also started the business of implant logistic which is a huge success. The time has come now, similarly like MNC, now Indian big companies also outsourcing their in-house logistics. It means that all manpower we have to provide skilled, unskilled labor to them and then forklifts. So we do back-to-back business with our vendors and this drives us a huge margin and it's a long term contract. Moreover, our all the contract are from one to three years. So this is all B2B business, and we are investing heavily on technology, because we believe in technology, both children have come from abroad, so they have their own experience. And now we have aggregator platform which is run only on technology. So that inspire us to work more on technology. So over the years, we are doing business with lot of this value chain, and then focusing more on infrastructure, so steel, cement and this solar system. So we are working for many companies like Waaree, Adani Solar, Tata Solar, Vikram Solar, I am forgetting the few names. So wherever the solar is produced, we are there.

So this is all about Ritco Logistics it is B2B business and our growth in Ritco over these years is always if you see from 2021, it is almost 25% to 28%. Last year also we did 27% and if you see, although Mr. Man Mohan who is the Chairman, he will tell you more about data when you will ask him about financial but, just for the overview, that from June to June this year, we have a growth of 40% which is remarkable. And from the 1st Quarter to this quarter, we have a growth of almost 3%. First quarter is always lesser than the March, because March the last quarter of the year is always we have a huge dispatches all over India. But in spite the we have a huge dispatch, still we are able to beat the March result in this quarter, which is itself a very remarkable thing.

Now, let me talk about TrucksUp:

So TrucksUp is an aggregator platform, in next two, three minutes, I will explain everything about TrucksUp. Most of the trucks which you see on the road, 85% of these trucks are owned or managed by the single operator. When I say single operator, these are the vehicle owner who have one to 10 truck. They are heavily depending on the broker, middleman and other factor for getting the load, their asset utilization is very less, almost about you can say, 65%. So maximum 15 to 16 days they can run their vehicle and most of the time vehicles are holding because of the load availability. And sometimes their empty running is more for getting the load. So this is their biggest problem. So road transportation almost contribute the rough data, though it is not very particular data available different platform giving different data, but 70% to 72% are through road transportation, and 85% of that is owned by these industry which are under the asset utilization.

So in TrucksUp, we do two things. First, we create a demand for them and we have more than 30,000 business associates who puts their load on our platform. And we have more than three lakh trucks who avails the services. And it's more like a Ola and Uber, uberization of the trucking. So wherever they get unloaded, they get the load from there. So this is the idea, which pilot run is already done, and our subscription has also started on pilot basis, on state-to-state, and we got phenomenal result from the market. So we do one thing is this, to increase their asset utilization, and not force them then willingly we are taking our subscription to access our app, where we have more than three lakh download and more than 3,68,000 trucks from all over India. And second thing is that, these guys are commercially very weak. They are single operators, so they do not know how to buy the best insurance and how to get the claim services, the FASTag, the fuel discount they do not know, insurance policies they have lot of problem in case of claim, and moreover when they want to buy the vehicle they do not know how to get into the ecosystem. So TrucksUp is the first company in India, I repeat it with proud again, it is the first company in India who has created the complete ecosystem where single operator can come and buy the truck. When I say buy the truck, within the TrucksUp, we have one services which is called TrucksHub, where all the big fleet owners all over India we call them LFO, large fleet owner, they put their vehicle to sell, because after getting GST benefit and depreciation, they sell the vehicle after five years. So single operator, or the drivers, who want to become an owner, they want to buy these vehicles. So it is not like a car business that you will get the car in within

the city. So person is in Punjab, he may get the truck from Kerala. So TrucksUp is a virtual platform where everybody put their photographs and it is all linked with the MParivahan high tech system so driver or truck owner can see the truck and can talk to the seller directly. So we are creating an opportunity for him to buy the truck, and immediately we have a finance facility back-to-back. So we have an agreement with Shriram Finance, AU Finance, HDFC, these all OEM agreement is already done and working properly. So he gets in-house finance immediately. Then comes to the insurance, so we have tie up with the four insurance companies, we give them the insurance, and then we have a tie up with the HPCL and IOCL today, our team CEO and Mr. Sarthak, is already there with IOCL for a big agreement with them on discount. So, then they get the fuel also, the discount also on fuel, because a single operator, they don't get discount, but through us, our volume will be highest one day. So they are getting better discount if they buy the fuel through us. So similarly, in case of FASTag also. So in future we may add lot of value creation. And then ultimately, he can sell the trucks from this platform also. So, the whole ecosystem to create the job opportunity to become an entrepreneur for the single operator or for the driver we are creating. So in terms of road transportation we are helping them to reduce the logistic cost, which is the dream project for our Nitin Gadkariji regarding lowering it from 14% to 8%, that work TrucksUp has been doing and will continue the same. So, this is whole about the TrucksUp, now I would request whatever question you have first, we will start with Ritco, and later on we can start with the TrucksUp. Thank you, thank you everybody.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Ishant Lalvani from Ashika Institutional Equities. Please go ahead.

**Ishant Lalvani:** So could you break down the current revenue mix by segment for example, how much revenue coming from contract logistics, FTL business, et cetera?

**Sanjeev Elwadhi:** Very good question, sir. Sir 90% business comes from our B2B business of transportation, and remaining 10% business come from all value added services which is, I forgot to add one value that is multi model. We have become a business associate for Concor also. So to reply your question, that 10% come from warehousing, implant logistics and distribution and multi model. These all services we have started very recently in last one year or so. So their number will increase, ware housing and implant logistics it's not a number game, it's a **(Inaudible) 14:34** game. So, in terms of volume, it may not affect much, but it will help to increase our bottom line, but yes, our multimodal business, we have a target that within three year, this will have 30% volume of our business in future.

**Ishant Lalvani:** Also, can you share the EBITDA margin from each segment?

**Sanjeev Elwadhi:** Honestly speaking, I may not have but if you talk about the operating margin, generally we work for B2B business from an all value addition services from 10% to 14%, but the warehousing and implant logistic business works on 20%. So that is why I am saying that, implant logistic is not only warehousing, but there are a lot of value added services that is why the margin value is more. So this is how it works. So overall, our EBITDA margin is 8.1% because the volume is

not very significant. So it may not reflect immediately, but in coming one to three years, it will have a huge impact on our balance sheet.

**Ishant Lalvani:** Also, how do you see the overall mixed percentage evolve in the next five years, and which segment is likely to become the largest revenue contributor in upcoming five years?

**Sanjeev Elwadhi:** Sir, the way the road building is happening all over India, and the way infrastructure with government stability, till 2029 we are very sure that infrastructure will be the key focus for Ritco. And that is why we are spreading our wings in a big way in steel and cement industry. Today, we work with Jindal all groups, Tata and downstream of steel and inward movement, outward movement, all mining project, everything which is related to the infra. So we believe that our road transportation will still dominate. But now customer is asking us to give a bigger, better solution other than the road also. So that is why we are focusing more on multimodal now-a-days creating a team, people are coming even from Concor also and big railway companies, even the retired railway people are also joining us. So we have a target that, as I mentioned earlier that within three years, this will be not at least it should be 30% of our total volume from multimodal. As far as profitability is concerned, profitability from the warehousing and implant logistic will be much bigger.

**Ishant Lalvani:** Okay, and regarding your TrucksUp business, could you first explain how it differs from?

**Sanjeev Elwadhi:** Sir, I would suggest that, we decided that first we will go for the Ritco. But since you have asked for TrucksUp, I will continue, please carry on let's finish this first.

**Ishant Lalvani:** So regarding the TrucksUp business, could you explain how it differs from platforms like Porter. Also, how will you monetize the TrucksUp business?

**Sanjeev Elwadhi:** So, this might be lot of yours question. You have asked it so I will tell you. Porter main focus business is within the city, so they deal with the 2 ton, 3 ton and 4 ton, and they take the responsibility of money also, and working capital also they have to put, so we are totally different from there. We are not responsible, we are not taking money directly for the freight. It means that we are on the subscription basis and value added services. So our business works like a intra-city, the trucks which are all over India their B2B business which is 95% of the business. So we serve to them, rather than within the city. So we have no plan to go within the city business number one. Our main focus is to reduce this empty running and the idle cost for the tracker. So that he earn more and still reduce the price, and the consignor or consignee will be benefited. So in this process, we take the subscription, which is 300, 600, 900, 3000, and 14,000 depending upon what subscription he has taken, we have lot of value-added services there. So it is already started, monetization has already happened. In fact, first quarter we have done a business of almost Rs.1.75 crore. In this quarter we are targetting to cross Rs.3 crore. So, in this year itself we have a target of crossing Rs.15 crore business, which is fantastic job for a company like us, who has very recently started, number one. And number two, for value added services also, the revenue has already started. How it comes, that we set up our discount with Indian Oil and

HPCL, and then we pass the part of the discount to the single operator, depending on his consumption. So the time is not very fast, I can see that we will be the largest consumer of fuel, oil without owning any fleet. We will be the largest consumer of insurance policy without owning any fleet. So this is how it will work. So where services work like this that we get a volume discount, and part of the discount will be passed so it will be a win-win situation for both of us, the vehicle owner also, for us also, and the load provider also, because ultimately he is getting the truck within two hours. That is our target, that within 120 minutes, we provide him a truck and today it takes for him for one to three days to get the truck. So this is how it works.

**Ishant Lalvani:** And how many number of active users daily?

**Sanjeev Elwadhi:** I would request our CEO to reply this question, because it's more technical. Virendra, can you please explain how many users we have daily and concurrent users, he has asked few technical thing which you can tell better.

**Virendra Yaduvanshi:** Yes, sir. Hi Ishant you are asking about the number of concurrent user who are visiting our platform, who are coming for the loads, or looking for the loads, right?

**Ishant Lalvani:** Right.

**Virendra Yaduvanshi:** So on average basis we have near about 7.5k to 8.5k number of loads, people are putting the loads, and near about.

**Sanjeev Elwadhi:** 7.5, 8.5000, sorry.

**Virendra Yaduvanshi:** Yes, sorry its 7.5 to 8.5 thousands loads are coming and near about 18,000 to 19,000 numbers of users are visiting the platform for the loads.

**Sanjeev Elwadhi:** That is on daily basis.

**Virendra Yaduvanshi:** That is on a daily basis.

**Ishant Lalvani:** Also, what percentage of annual expense that is currently allocated to this TrucksUp business?

**Sanjeev Elwadhi:** Okay, so this thing is with me. So, I would like to add, because CFO was to join also, but he is down with the Dengue. So he has given me some figure. So your question, though you have many questions which may solve the purpose of many people, but other must have also asked you question. So, I would give this reply. So we have, as of now you are talking about TrucksUp. Our expense is almost 1.7 to 2.2 crore, depending upon in which month we are doing which branding and all that. We have not taken any celebrity, we have signed 50 YouTuber with us at very low price, and they are doing digital, social media promotion for us on one, one video you can find on TrucksUp they have more than 10 million or 5 million views. So this is how we are spreading and penetration is happening in every corner of India.

**Moderator:** Thank you sir. The next question is from the line of Maan from Growth Spear Ventures. Please go ahead.

**Maan:** Sir, I have last two questions, but is how big contribution is TrucksUp in next two to three years in the total profit after tax or revenue, how are we seeing it to scale up?

**Sanjeev Elwadhi:** Our CEO is on line and we talk to all the higher members in our team category wise about fuel, Fastag, GPS and load. So, Trucks up is targeting to come on breakeven within two years and then subsequently trucks up will be contributing to our PAT, and this is what we have made in our business plan. And till now whatever we have made we are achieving that. So, within two years this will be breakeven, or maybe before.

**Management:** Okay. And breakeven since you said so how much fixed cost will be in it and how much will be variable cost which we will have to pay monthly?

**Sanjeev Elwadhi:** Sir, 70% is salary and we don't have any infra everything is virtual, rest 25% to 30% cost is variable cost which is linked with the business which is coming. Like we have a growth partner system, we have people all over India but initially we have 300 people but now we are recruiting them as a growth guru. So we pay them very small amount, and then they are converted into the growth partner, technically like a channel partner. And in next year, we will be giving no fixed cost, but they will be on the performance basis. So nationwide we will start a campaign as well in which we will have all the 12th pass students who can use phone to join this mission, because now in metro and semi-metro we have opportunity of Zomato, Blinkit, Ola, Uber, in tier 2, tier 3, tier 4 cities where this opportunity will not come in coming 10 to 15 years because their shopping trend is different. So, these people will come in cities but we are saying don't come, you can stay close to your village, join a group of 50 to 100 and tell them about the fuel card and explain them the discount and incentive. So, we are trying to create an environment in India so that everyone becomes entrepreneur, just like Har Ghar Tiranga likewise in every village there should be three to five people who will push their village emotionally, financially to take their services. And the best part is, when they are taking the services they are coming on the app and when they are coming on the app they are increasing our load board. So, this is the whole ecosystem we are trying to build up.

**Moderator:** Thank you sir. The next question is from the line of Vinay, an Individual Investor. Please go ahead.

**Vinay:** So I have two questions, we have done lot of hiring for rail and multimodal business for TrucksUp too. So, if you can give some inside what is the reason for the new hirers and how much they can contribute going ahead?

**Sanjeev Elwadhi:** In our service industry as we are asset light company so money is raw material and men are machine. So, we have quality man power, and if someone ask in the forum what is affecting your growth, then I say man power. Ritco, has people from last 15, 20, 25 years because we create

wealth for them and it's a listed company so we provide ESOPs and all that. So, we can attract the talent and we have a very strong training system. So, coming straight away to your question now. As in multimodal we have technical services for which we needed people from Concor, we needed people from Adani, we needed people from railway, so that is why massive hiring is happening and most of these people are technical people. The sales guy will remain from Ritco's team, and they will go to the customer but the operation built is being done by the people who come from these industries, number one. Number two, you said TrucksUp as it is on growing stage so, next six months there will be continue hiring, we have two type of hiring. Honestly, as the BlackBuck's national head, he joined as a Chief Marketing Officer in our company 10 days back, which is a big breakthrough for us. And similarly, from Paytm we have lot of senior people in our marketing team, Chief Growth Officer joined from Airtel. So, we have few senior profile people and some low-level people too which are from BO level with a salary of Rs.25,000 plus incentive. So, in TrucksUp we have massive hiring to penetrate in every cluster where truck is available. Where you live?

**Vinay:** I live in Bombay.

**Sanjeev Elwadhi:** So, as you stay in Bombay so you might be knowing Bhiwandi and Thane is a massive area of truckers. So, these are the places and at these clusters we are increasing the penetration. So, as we have experience of Ritco we know where the demand and supply is so on that basis we are using the experience. Now the person who made Patanjali supply chain, Mr. Mansingh is with us for last many years. He was right hand of Baba Ramdev, and his name is Mansingh you can check on our app also, he is our COO. So, we have bought them because they trust us and they have seen the growth of Ritco and they have seen our ESOP facility and we they have seen our care against our employees as well. I am getting a bit emotional now our CEO is on line and he was in Manipal Group, he was the right hand of Mr. Pai. He is the person who has created SahiBandhu app for the gold loan, by leaving that stable job he has joined a startup like TrucksUp so we can say something on that. I have that aura to convince people and bring them on our side.

**Vinay:** Good to know sir and good development and very positive. I have one more question, what will be our marketing spend on TrucksUp month-on-month basis because we are on a startup mode so month-on-month how much we would be spending on marketing advertisement?

**Sanjeev Elwadhi:** Initially when we hired marketing agency then we got a bit carried away in first one, two months. They were talking very big and we had almost finalized with Rishabh Pant but after that we changed our strategy, people have come from Airtel, Paytm, Ola, Uber they guided us and said our users are normal truckers, business associate, it may be a agent, it may be a facilitator, how to get to these people. So, when they see such successful people they are not able to relate with them and that's the problem of transport industry so we have to go to such people and use that market who connect with them. So, we signed 50 YouTubers, if you see Mr. Rajesh and if he is making one Chicken Curry and if he keeps TrucksUp app with him then he gets 40 lakh views on it. So, we have hired such type of people all over India and our download is also linked with that to see how much we got from YouTube, Google and all. So, almost our cost of 2 crore,

around 25% to 30% is for branding and digital promotion and medical camps. If we go directly to sell something to the truckers directly they see it with a doubt. So, when we put a medical camp where 500 drivers or truck owner are sitting and you are explaining them and doing indirect marketing and giving them a cap, we have a scheme and if you open our app then after every month like currently we have of 15<sup>th</sup> August, click a family picture with flag then the best 10 will get a TV. So, we have our offices everywhere and we have tie up with Meesho so the TVs get delivered and then we glorify it and put it on the app. So, we are doing the branding by such small things and we are not doing anything huge. So, this is how we plan to do it.

**Vinay:** Okay. And can we get a number, in a month how much would be the run rate so we get a clarity on it

**Sanjeev Elwadhi:** Which number?

**Vinay:** Marketing spends, if you can share a number of TrucksUp?

**Sanjeev Elwadhi:** We have split it very nicely but currently I don't have it, I can give you a guess because we have in different parts for digital marketing, YouTube marketing in parts, caller center marketing and all that. So, when I say 30% of Rs.2 crore so, around Rs.50 to Rs.60 lakh a month goes on marketing on Google Ads, YouTube ads, Influencers. And influencers are not very expensive ones. Only two influencers who get crores views are a bit expensive and they take around Rs.2 to Rs.2.5 lakh for a post and rest all influencers take Rs.10,000 to Rs.50,000 per video, this is how we are trying to do. We don't want to over push the things. So, gradually we are creating that eco-system in which all vehicle, type, repairing guy relates with it and we do something for them. He connects with us to buy the vehicle, put family photo at holi, something like that we are trying to connect with them.

**Moderator:** Thank you. The next question is from the line of Moksh Ranka from Arun Capital. Please go ahead.

**Moksh Ranka:** Sir, I wanted to know about capital allocation, recently we have raised money in preferential and in that Rs.20 crores we have put in TrucksUp and with the rest we raised more vehicles. So, in future we will have vehicles on our balance sheet or we will be asset light via TrucksUp?

**Sanjeev Elwadhi:** Moksh it's a good question. Sir we have raised Rs.100 crores, Rs.20 crore was assigned to TrucksUp and we did that very professionally we made 20 FDs of Rs.1 crore each and kept in bank and every month they take one FD and you will see in the balance sheet the other income in TrucksUp is of our FD. Rs.80 crore that came in Ritco is not at all for buying the trucks, for buying the trucks we don't need money, we get 100% financing, and we around 300 trucks and we keep that much trucks only and we buy these because lot of tenders have a clause of keep x number of trucks. As we participate in large tenders we have few clauses of that and some we have talked with the government and kept in it so that small operators don't get in. And we have few driver training program and management so we few areas we have to control the freight by

sending our vehicles. So, we have not used a single rupee from that Rs.80 crore in our trucks and we won't do so in future as well. It is all invested. Around Rs.3.5 to Rs.4 crore is invested in technology because we have come up with one of the best software for Ritco Logistics and rest of the money is used for working capital, warehouse lease rental, the deposit amount of two to three months which we have to give so we are using it in that. We have no plans to invest in asset now and nor in future too. And if there is any situation when we have to get our own trucks then we have TrucksUp and by clicking a button we get number of vehicles. So buying vehicles is no sense for us. We maintain the figure of 300, 350 for tender process. We have some customized vehicles as well, for example if we get a big work from someone in which we need 100 trucks every day and in that he wants four trucks to be customized within plant and for that he will have to look out but we don't want to let him go out so we create a customize vehicle for him, this works like this.

**Moksh Ranka:** Okay. I wanted to know in future where will our capital be utilized majorly in Ritco and TrucksUp. In TrucksUp you said it will be more in marketing. I wanted to know in the coming two, three years where are we investing in Ritco?

**Sanjeev Elwadhi:** Ritco is a non-asset base company like TrucksUp and all our customers are blue-chip, 40% of government companies work is done via Navratan, rest all the work is done by Reliance, ITC, Nestle. So, our money is utilized for working capital only and somewhat for technology up-gradation. And we do have internal sources so if we require anything after 2 years, so we have the support of banks too so we don't see any problem in future funding or something like that. TrucksUp is our focus where we have raise fund and we will do that in March end. We are not doing it right now as we don't require it now, we have money till Jan and Feb which I told you the Rs.20 crore FDs which we have and we utilize that every month. Everybody are excited and we have the CEO on line too, they are like as it's a startup so let's burn the money, and the more you burn the money more you become famous. But we have created Ritco Logistics with great efforts so we can't spend in that way, lot of our consultants say to spend money on advertisement, marketing and all but spending wisely makes us productive, we might not get an output just by buying it anywhere. So, we balance that thin line.

**Moksh Ranka:** I use your app though I don't have a truck, but as an investor I thought of going through the TrucksUp app and I am using it from a long time. And it's very fluid and not utilized much money in it. So, very good opinion about that.

**Sanjeev Elwadhi:** Everything you do in our app that is more of pictorial basis because our user is not like user of Zomato or all these things. Everything is done in two steps and those you can't write and use their voice command. So, we have created the app accordingly. If you had a truck or if you worked on it then you would feel the ease of understanding it. So, focus is that, you won't find any scooter coming with a flag, or any other advertisement. It is very simple when truck owner or single operator is driving or making food and when he lands on the app his only focus is to find the load and that should be upfront and not inside. So, we have our thinking that way because

we have gone through that time when we had only two vehicles, so we know that pain and their thinking too. So, accordingly we have created the app in that way.

**Moderator:** Thank you sir. The next question is from the line of Heta from Monark AIF. Please go ahead.

**Heta:** I just had two questions. Firstly, on the Ritco Logistics core business, I understand you are now adding new sectors and I believe the first participant you did mention that you plan to sustain the margins at 8%. Now, considering that we are entering new sectors we are also planning to expand the multimodal business. So, what is the outlook on margins, do we estimate the margins to go 100 or 200 bps higher. And does this diversification help with reducing the working capital days, compared to FY'25?

**Sanjeev Elwadhi:** Ma'am you have multiple question, I'll answer them one by one. As I mentioned earlier also that implant logistic and warehouse will add lot of in bottom line, but their volume is not it's not a business which you can go and immediately get. It takes working and hardship of skilled work of lot of months to get that business. So definitely coming one, two, three year, this will affect positively on our margins. Number one, as far as warehouse and implant logistic is concerned. I cannot disclose the name, we are in a process of getting few very big business. In fact, Sarthak is in the line. He also sees the warehouse business of Ritco and number one. Number two, multimodal business gives us the value addition services, which help us to keep the customer with us and take a bigger volume, in a way that today for relay services is going to say to is going to Adani or Concor, not directly to the Concor say BP world and for road transportation, he is with the Ritco or any other company. Today we are telling them, you forget about going to the multiple people. We will give the services, we will give the one rate, either we could take it through the road model, road or rate. So that gives comfort to the customer, especially in case of this rainy seasons, where natural calamities, where our capacity to move the material through rail which reduces the pressure on the road also. So, I am not sure I will not overcome it, that it will have a immediately effect on bottom line, but obviously in coming one, two, three years, this will affect our bottom line in a positive way.

**Heta:** Sir, would it be possible to quantify it by what percentage or by what basis points it could improve, any possible guidance?

**Sanjeev Elwadhi:** I don't think it's right to give such big commitment on this platform, but still you can drop an email and I don't know if we are allowed or not to speak on this call, we are doing it first time in our life. So, we can have that data and if it is allowed then we can share it with you, what is our business plan in regard to that?

**Heta:** Okay. And sir also on the working capital days, if you could, speak on that?

**Sanjeev Elwadhi:** Yes, we have reduced the working capital, in last four years if you see from 125 days to now it is, I will ask Man Mohanji, it is 103 days. Man Mohanji what is the?

**Man Mohan Singh:** 109 days.

**Sanjeev Elwadhi:** Now, it is 109 days and this year our target is 103 days. And we are developing a software which we have already started working rather, it is now almost on the finishing stage where we API integration is happening with many customer who are open to help us to give the online pod, because their auditor has to accept and all that. So we have started to explain them the whole process and hopefully in the coming days this will come down and it has to come down and it will come down. We are working on that. In fact in last five days we have brought it down.

**Man Mohan Singh:** Our target is to bring it down to 95, 100 days in coming one, two years we are working very hard on it. We are doing different things to bring it down. Our target is to bring it down to 90 days in coming probably mid because we are growing also very fast. So probably we are trying to maintain it, our target is 90 days in coming two, three years.

**Moderator:** Thank you, ma'am. Ladies and gentlemen, due to interest of time, that was the last question for today. I now hand the conference over to Mr. Sahil Sanghvi from Monarch Network Capital Limited for closing comments.

**Sahil Sanghvi:** Just want to thank the management, especially Sanjeev sir and the whole team for patiently and elaborately answering all the questions. And also would like to thank all the participants for joining the call. Thank you and that concludes the call.

**Moderator:** Thank you, sir. On behalf of Monarch Network Capital Limited, that concludes this conference call. Thank you for joining us and you may now disconnect your lines.